

TEACHERS' RETIREMENT BOARD  
BENEFITS AND SERVICES COMMITTEE

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SUBJECT: LEVEL OF SERVICE STANDARDS

ITEM NUMBER: 8

ATTACHMENT(S): 1

ACTION: \_\_\_\_\_

DATE OF MEETING: September 3, 1998

INFORMATION:   X  

PRESENTERS(S): Mr. Carter

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**EXECUTIVE SUMMARY**

**Background**

The Level of Service report provides the Benefits and Services Committee with the necessary information to fulfill its oversight responsibility regarding the administration of the delivery of benefits and services to STRS members. Accordingly, this report covers the degree to which statutory work standards and requirements (i.e., interest payments) are being met, and contains program production objectives, measures and “major initiative” updates. Program specifics are available in the individual reports. Following are the highlights of activity for the month of July 1998, the first month of the new 1998/99 fiscal year (FY).

**Highlights**

1. Fiscal Year Allowance Roll

STRS paid a total of 158,997 benefit recipients \$251,783,143 in July 1998.

2. Processing

- A. Application Volume: The overall volume of incoming applications and notifications received during July FY1998/99 was 51 percent greater than the July FY1997/98 volume.
- B. Initial Payment Processing: Service Retirement met their goal of processing 100 percent of their initial payments within 30 days. Disability met their goal of processing 100 percent of their initial payments within 10 days.
- C. Final Roll Processing: Service Retirements completed 100 percent of all final payments within 45 days of receipt of all necessary information, achieving their 100 percent goal. They also finalized 93 percent of all service retirement payments within four months of the retirement effective date, surpassing their goal of 90 percent.

- D. Application Processing: Survivor Benefits processed 99 percent of all applications within 45 days of receipt of all necessary information, surpassing the program's established 95 percent goal. Disability Services processed 96 percent of all eligible applications within 180 days of receipt of the application, almost achieving their 100 percent goal.

**Please see Attachment 1 for an assessment of the FY1997/98 production goals.**

3. Services

During the month of July, all three objectives were met. The PSO service objective to handle 95 percent of all calls within three minutes was achieved, answering 98 percent of all calls within three minutes. Staff answered 97 percent of their correspondence within ten days surpassing the newly established 90 percent goal. The service goal to answer 95 percent of all technician-assisted calls on first contact was surpassed by three percent, reaching 98 percent. Queue time has been dropped to an average of less than 30 seconds. The longest anyone waited in queue was 6 minutes.

4. Interest Payments

The total interest payment volume for July 1998 increased 66 percent as compared to July FY1997/98. The dollar amount of interest issued to payees decreased 40 percent as compared to July FY1997/98

5. Outstanding Survivor Benefit Cases

The Education Code requires a report to the Board on outstanding survivor benefit cases not paid within six months of the notification of death. As of July 1998, there were 115 cases exceeding this threshold. In June 1998, there were 110 cases beyond the six-month processing period, while in May 1998, there were 112 cases exceeding the six-month threshold.

6. Collections Status Report

During the six-month period ending June 30, 1998, a total of 212 overpaid cases were analyzed and acted upon. Of the 212 cases, 83 were current overpaid cases forwarded to Accounting by the various operations units to start the collection process, resulting in collections amounting to \$279,357.73. Seventy-seven cases were processed for write-offs amounting to \$258,835.93. The remaining 52 cases were adjusted and/or sent to various operation units for further action needed.

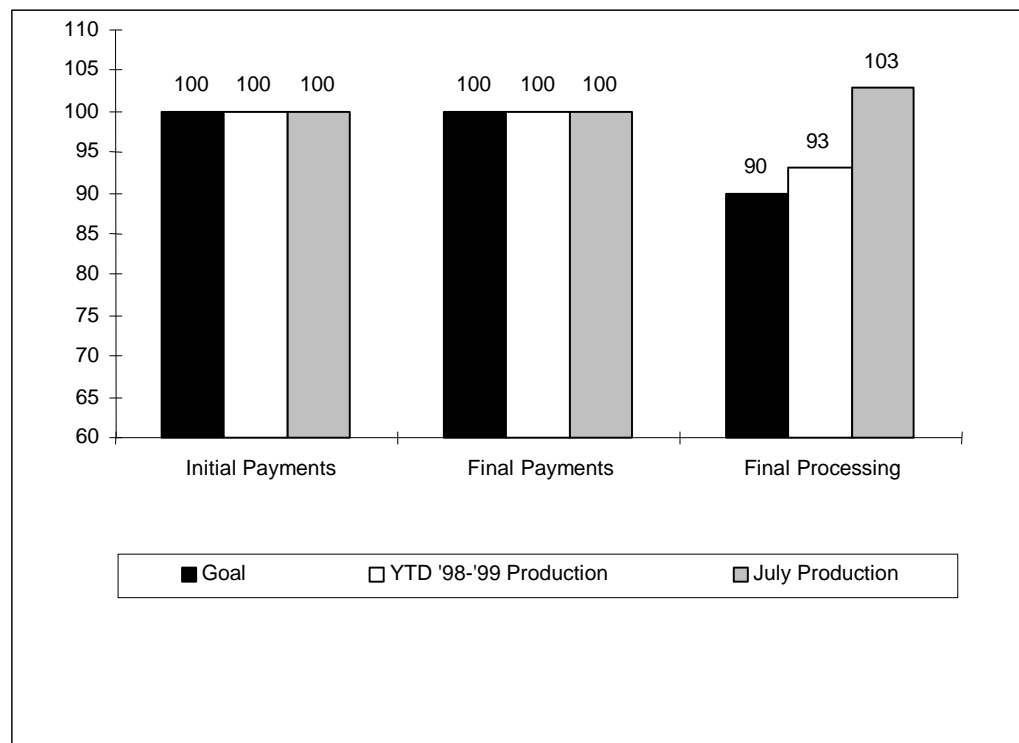
The following is a summary of the cases processed for write-off since the last report to the Board in January 1998.

<b>BREAKDOWN OF CASES SUBMITTED FOR WRITE-OFF SINCE LAST REPORT TO THE BOARD</b>				
Dollar Range	Total Dollars being Discharged	Number of Cases	Average per Case	Dates Associated with Overpayment or Discovery of
Under \$5,000	\$ 45,164	64	\$ 705	1982-1997
Over \$5,000	\$ 213,671	13	\$ 16,436	1981-1997
<b>Total</b>	<b>\$ 258,835</b>	<b>77</b>		

## SERVICE RETIREMENTS

### I. 1998-99 Production Objectives

- A. **Initial Payments:** Process 100 percent of all service retirement application payments within 30 days of the effective date of retirement or receipt of completed application, whichever is later.
- B. **Final Payments:** Complete 100 percent of all final service retirement payments within 45 days of receipt of all necessary information.
- C. **Finalize Processing:** Finalize 90 percent of all service retirement payments within four months of the retirement effective date.



**II. Measures**

Type	(1) Bench - Mark 90/91	(2) July 97/98	(3) July 98/99	% of Change <u>(3) - (2)</u> (2)	July 1998
Retirement Applications	8,167	689	1,043	51%	1,043
Applications /Months	681	689	1,043	51%	-----
Interest Payments (#)	1,070	10	7	-30%	7
Interest Payments (\$\$\$)	\$9,779	\$126	\$5	-96%	\$5
Golden Handshake Districts	529	21	41	95%	41
Golden Handshake Participants	646	8	23 <sup>1</sup>	23%	23

**III. Major Initiatives****Retirement Incentives**

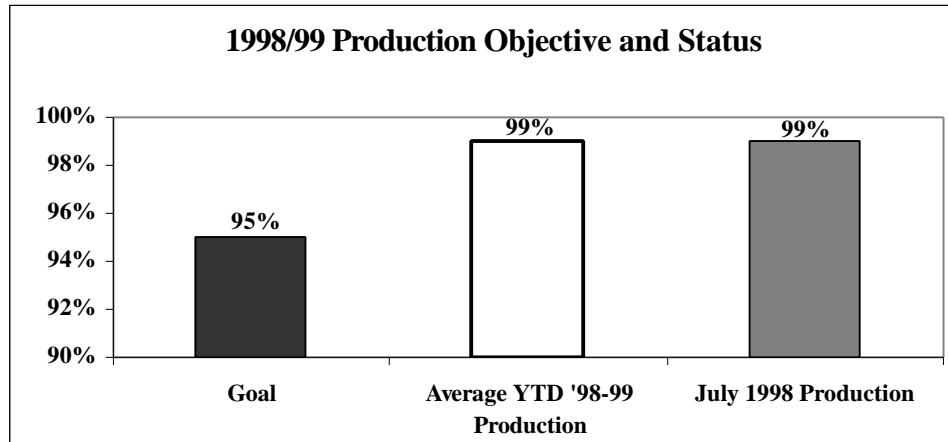
- A. One-year Final Compensation:** Since 1990, thirty-five school districts, including five Community College districts, have offered the incentive of one-year final compensation to 321 retired members. During the new FY1998/99, no school districts have chosen to participate in this program.

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<sup>1</sup> The method of collection for tracking the number of Golden Handshake Districts and participants has been modified to reflect the FY of the retiree's effective date rather than the receipt date of the Golden handshake documentation.

## SURVIVOR BENEFITS

- I. 1998-99 Production Objective:** Process 95 percent of all applications within 30 days of receipt of all necessary information.



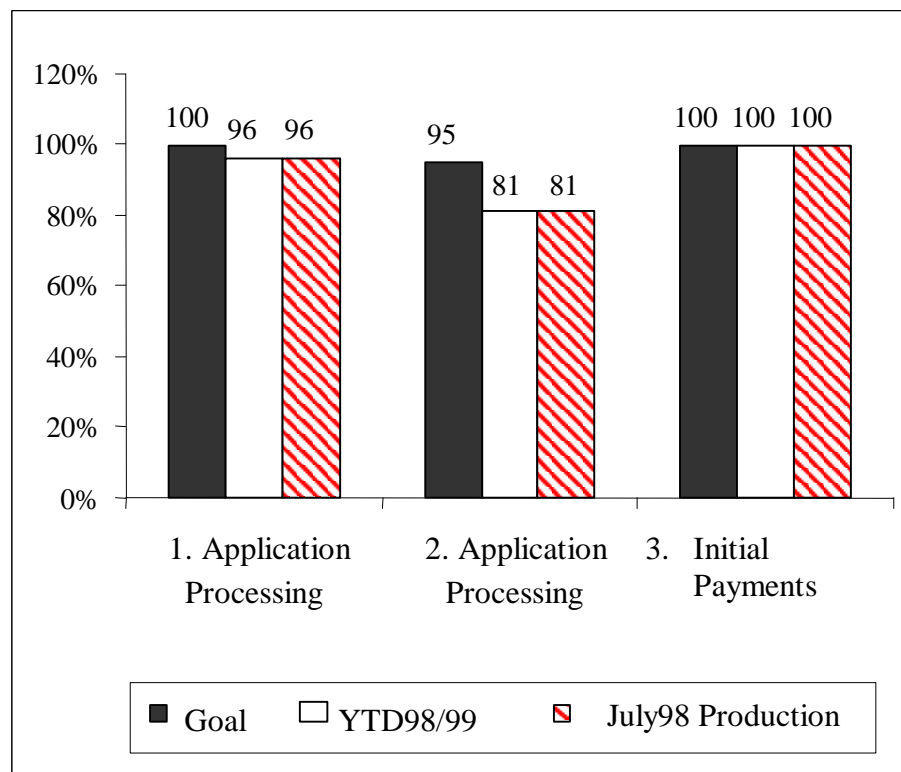
**II. Measures**

Type	(1) Bench- Mark 90/91	(2) July 97/98	(3) July 98/99	% of Change (3) - (2) (2)	July 1998
Death Notifications	3,948	415	446	7%	446
Cases Completed	3,627	462	535	16%	535
Average Cases Completed Per Month	302	462	535	16%	535
Interest Payments (#)	2,360	19	39	105%	39
Interest Payments (\$)	\$78,252	\$6,272	\$3,251	-48%	\$3,251

## DISABILITY SERVICES

### I. 1998-99 Production Objectives

- A. **Disability Application Processing:** Process 100 percent of all disability applications within 180 days of receipt.
- B. **Disability Approval:** Process 95 percent of all approvals with 30 days of receipt of all necessary information.
- C. **Initial Disability Payments:** Process 100 percent of all initial payments within ten working days of receipt of all necessary information.



**II. Measures**

Type	(1) Bench- Mark 1991	(2) July 97/98	(3) July 98/99	% of Change (3) - (2) (2)	July 1998
Disability Applications	500	41	63	54%	63
Disability Apps/Months	41.6	41	48	17%	48
Continuing <sup>1</sup> Qualifications Roll Removals	24	0	3	0%	3
Rehabilitation <sup>2</sup> Roll Removals	16	2	1	-50%	1
Active Rehabilitation Participants	119	139	N/A	N/A	141
Independent Medical Exams (#)	632	48	19	-60%	19
Independent Medical Exams (\$)	\$443,020	\$32,905	\$15,745	-52%	\$15,745
Independent Vocational Exams (#)	N/A	207	260	26%	260
Independent Vocational Exams (\$)	\$405,596	\$61,452	\$80,173	30%	\$80,173
Interest Penalty Payments (#)	6	0	1	0%	1
Interest Penalty Payments (\$)	\$1,405	\$0	\$15	0%	\$15

<sup>1</sup> The CQ Program monitors member's earnings, benefits received from other public agencies, and their medical condition for continued eligibility to receive benefits.

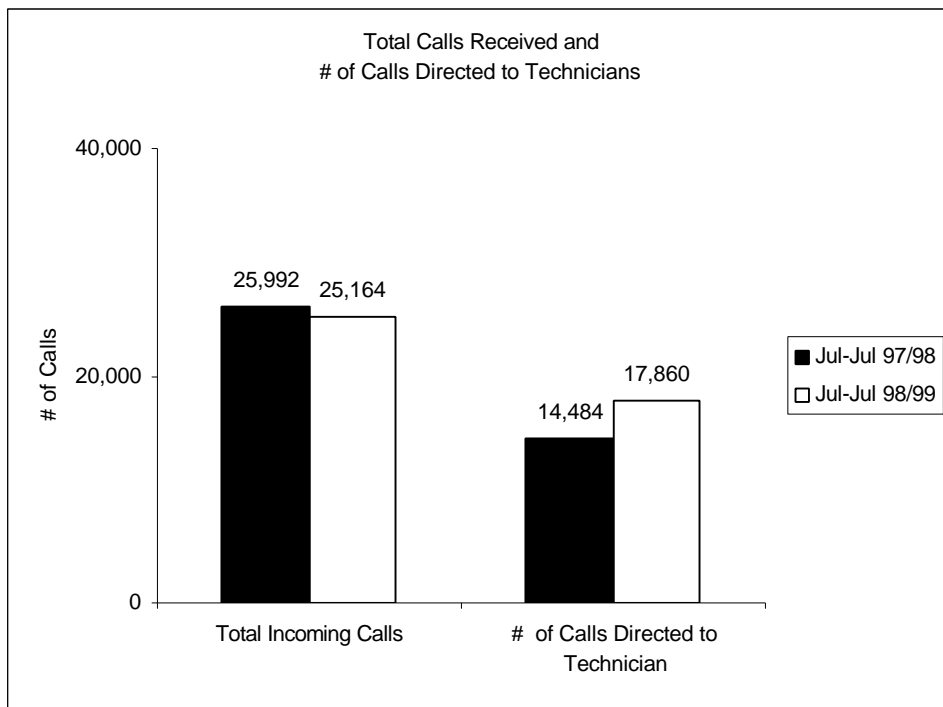
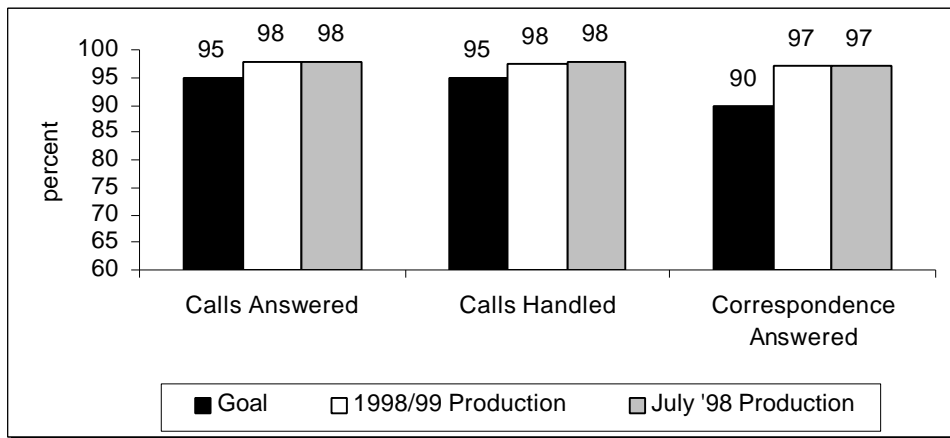
<sup>2</sup> The Rehabilitation Program provides members a variety of services to assess current capabilities and limitations with the goal of obtaining comparable level employment.

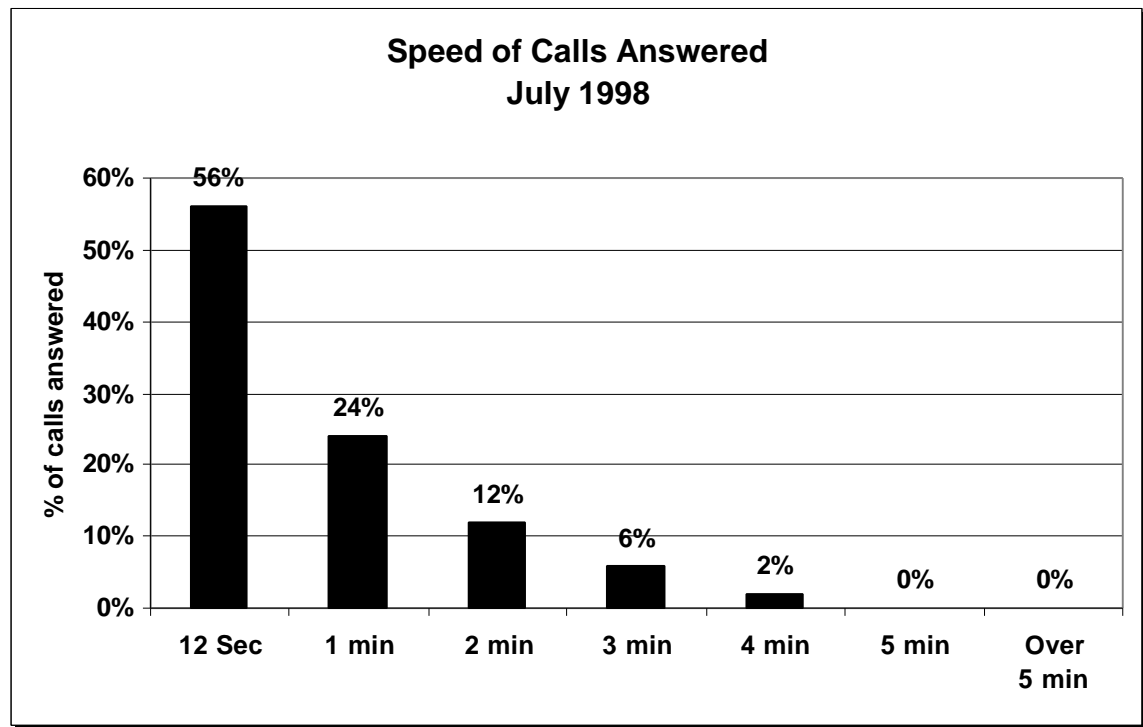


## PUBLIC SERVICE

### I. 1998-99 Production Objectives

- A. Answer 95 percent of all calls in less than three minutes.
- B. Handle 95 percent of all calls on the first contact.
- C. Respond to 90 percent of all correspondence in ten working days.





## II. Measures

Type	(1) Bench- mark 90/91	(2) July 97/98	(3) July 98/99	% of Change (3) - (2) (2)	July 1998
Total Incoming Calls	195,858	25,992	25,164	-3.19%	25,164
Technician Calls	117,913	14,484	17,860	23.31%	17,860
Automated Attendant Calls	31,895	7,302	5,044	-30.92%	5,044
Teletalk Calls	46,050	3,114	2,260	-27.42%	2,260

## III. Major Initiatives

Total calls coming into the Public Service Office were down three percent compared to FY1997/98. This difference can be attributed to the decrease in calls handled by the automated system. Calls handled by the PSO technicians were up by 23 percent over the same time period.

**1997/98 PRODUCTION GOALS**

<b>OBJECTIVES</b>	<b>1997/98 TARGET</b>	<b>1997/98 ACTUAL</b>	<b>PERCENT OF OBJECTIVE ACHIEVED</b>
<b>SERVICE RETIREMENTS:</b>			
Process 100 percent of all service retirement application payments within 30 days of the effective date of retirement or receipt of completed application, whichever is later.	100%	99%	99%
Complete 100 percent of all final service retirement payments within 45 days of receipt of all necessary information.	100%	98%	98%
Finalize 90 percent of all service retirement payments within four months of the retirement effective date	90%	93%	103%
<b>SURVIVOR BENEFITS:</b>			
Process 95 percent of all applications within 30 days of receipt of all necessary information.	95%	99%	105%
<b>DISABILITY SERVICES:</b>			
Process 100 percent of all disability applications within 180 days of receipt by STRS.	100%	94%	94%
Process 85 percent of all approvals with 30 days of receipt of all necessary information.	85%	72%	85%
Process 100% of all initial payments within ten working days following the date the disability application is approved, the effective date or receipt of all necessary information, whichever occurs last.	100%	100%	100%
<b>PUBLIC SERVICE:</b>			
Answer 95 percent of all calls in less than three minutes.	95%	88%	93%
Handle 95 percent of all calls on the first contact.	95%	97%	102%
Respond to 90 percent of all correspondence in ten working days.	90%	92%	102%